

KEYSPAN ENERGY DELIVERY NEW ENGLAND
D.T.E. 05-68

FIRST SET OF INFORMATION REQUESTS OF THE
ATTORNEY GENERAL TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND

AG 1-11

Date: March 9, 2006

Respondent: Elizabeth Arangio

Q. Refer to the last paragraph, p. 75. Provide a definition for “an extended period to maintain flexibility?”

A. The entire sentence referenced in the question reads: “Therefore, the Company will renew or replace contracts for an extended period to maintain, flexibility, diversity and reliability consistent with the least cost principles, while balancing the circumstances of the evolving marketplace”.

This statement summarizes the Company's intent to enter into contracts for a time-period that is reasonable and appropriate given the attributes of the resource at issue, the status of the resource portfolio, market circumstances and other factors relevant to consideration of the resource addition. Based on these factors, the Company will enter into the contract for a term that will further the Company's efforts to maintain a least-cost, reliable portfolio to meet firm requirements in both the long-term and short-term, while also balancing the potential changes that might transpire in the upstream capacity market. In general, the Company anticipates that it may enter into contracts for a period of one to 20 years, depending on the specific circumstances existing at the time the resource is considered for addition to the portfolio.